GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1377
ANSWERED ON:08.12.2004
DIFFICULTIES IN KHADI SALE
Rajendran Shri P.

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether the Government has noticed the difficulties in the sales of Khadi products after the implementation of Marketing Development Assistance in place of rebate;

(b): if so, the steps taken to rectify it;

(c): whether the Union Government has received any proposal from Government of Kerala to restore the previous rebate for Khadi instead of MDA; and

(d): if so, the details thereof?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): The Government had approved implementation of the Market Development Assistance (MDA) from 01.04.2004 in place of the rebate scheme on sales of khadi. As implementation of the MDA scheme has been kept in abeyance till 31.03.2005 and the Government has also announced on 10.08.2004 the rebate scheme for the current financial year, there has been no occasion of noticing difficulty, if any, in implementing the MDA scheme. Further, the Government has initiated steps to take up a study of the rebate scheme with a view to evaluating it before deciding on its continuation beyond 31.03.2005.

(b) : In view of the reply at (a) above, the question does not arise.

(c)&(d) : Yes, Sir. The Union Government has received a letter dated 27.07.2004 from the then Chief Minister of Kerala and two letters dated 12.08.2004 and 12.10.2004 respectively from Shri C.F. Thomas, Minister of Rural Development and Registration, Government of Kerala, suggesting restoration of the khadi rebate scheme.